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## Major Oil Companies of Cleveland and Cuyahoga County and Gasoline Station Operators Union, Local 18378, arbitration award (1934)

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## Major Oil Companies of Cleveland and Cuyahoga County and Gasoline Station Operators Union, Local 18378, arbitration award (1934)

### Location

Cleveland, OH

### Effective Date

5-16-1934

### Expiration Date

5-16-1935

### Employer

Major Oil Companies of Cleveland and Cuyahoga County

### Union

Gasoline Station Operators Union

### Union Local

18378

### NAICS

44

### Sector

Private

### Item ID

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### Keywords

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### Comments

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AWARD OF THE ARBITRATION BOARD IN THE CASE OF THE  
CONTROVERSY BETWEEN THE GASOLINE STATION OPERATORS UNION NO. 18378  
AND THE MAJOR OIL COMPANIES OF CLEVELAND AND CUYAHOGA COUNTY.  
CLEVELAND, OHIO      SEPTEMBER 25, 1934.

These arbitration proceedings grew out of an agreement entered into on May 16, 1934, whereby the strike that had been in effect in Cleveland, Cuyahoga County, was settled. Under the terms of the agreement the strike was called off, the striking operators were taken back without discrimination, elections were held in each company to determine the representation of the men for purposes of collective bargaining, and it was mutually agreed as follows:

"Immediately after the resumption of work, each company will begin negotiations with representatives of Gas Station Operators Union No. 18378 for such employees as the union represents, and will continue the negotiations until a mutually satisfactory agreement is reached covering terms and conditions of employment."

"The interested parties pledge themselves to make every effort to consummate a satisfactory agreement on all matters in dispute within fourteen days after the resumption of work, unless the time be extended by mutual consent. In the event that it is found impossible after a sincere, honest and frank effort to reach an agreement as above specified, questions of wages and working conditions remaining to be adjusted shall be submitted to a Board of Arbitration jointly set up and equally representative of both parties with an impartial Chairman mutually agreed upon. In the event of failure to agree upon said Chairman within three days after Arbitration Board is set up, such Chairman shall be appointed by Harold L. Ickes, Secretary of the Interior and Petroleum Administrator and Dr. William M. Leiserson, Chairman, Petroleum Labor Policy Board. Any wage differences to be arbitrated shall be within reasonable limitations."

"Changes in wages and working conditions resulting from negotiations and any arbitration awards will be retroactive to the time that employees return to work."

Pursuant to this settlement an arbitration agreement was reached between the union and the companies to set up a Board of Arbitration consisting of seven members, three chosen by the union, three by the companies and an impartial Chairman to be chosen jointly, but in the event of failure to select a chairman on or before June 29, 1934, to be chosen by Harold L. Ickes, Secretary of the Interior and Petroleum Administrator and Dr. William M. Leiserson, Chairman of the Petroleum Labor Policy Board. The members of the Board selected were as follows:

For the Companies - J. C. Willing, Leslie Vickers and Walter Hochuli.  
For the Union      - William Rea, A. C. Helm and Phil Hannah.

The Board thus constituted having failed on June 28th to name an impartial Chairman, Secretary Ickes appointed John A. Lapp to be the Impartial Chairman.

The Board met on July 2nd with the Chairman and submitted certain matters that had been already agreed upon between the two sides and considered other matters that were in dispute, arriving at conclusions with respect to a number of controversial matters. The questions not so agreed upon were left for consideration by the Board through public hearings which began on August 23rd. The Board continued in session, with intermissions, until September 14th, giving to all interested parties a chance to be heard to the fullest possible extent. The Board considered the testimony presented in the record and now presents its conclusions with respect to the matters that were presented to it during the hearings and those which were agreed upon in the conferences of the Board.

The Articles of Agreement for arbitration provide among other things as follows:

"The Board of Arbitration shall have the right to adopt such rules and regulations for the conduct of the hearings before it and shall hold the hearings before it at such time and place as it may in its discretion deem best. As to any and all matters and things to be decided by the Board of Arbitration, the decision of a majority of the arbitrators shall be the decision of the Board of Arbitration."

"The Board of Arbitration shall proceed as soon as possible to hear and determine the matters submitted to it for decision as aforesaid and shall incorporate its decision in a written award, which written award shall be final and binding upon the aforesaid companies and the said Union for the period therein specified. The award of a majority of the members of the Board of Arbitration shall be the award of the Board of Arbitration."

"It is further understood and agreed that the arbitration award shall be retroactive to May 16, 1934."

"It is understood that said oil companies and said Union hereby submit to said Board of Arbitration for arbitration by it all of the demands incorporated in a certain proposed agreement between Gasoline Station Operators Union #18378 and the respective companies, copy of which is attached hereto, made a part hereof and marked "Exhibit A" with the exception of the following demands:

"It is hereby agreed that the employees who are elected or delegated by the Union to its various offices or assignments shall be granted an indefinite leave of absence. In the event of the termination of said offices or assignments, these employees shall retain their seniority rights and be returned to their former positions and classifications. It is further agreed that nothing contained in this schedule of leave of absence shall be construed as binding upon the employer so far as pay is concerned."

"It is further agreed that any employee who is a member of this Union shall have the right to be represented by a representative of the Union in case of a controversy over the discharge of an employee and should the

matter not be amicably adjusted, it shall be referred for settlement to a third disinterested and impartial party to be selected by the employer and the Union representative."

"It is hereby agreed that in the event of a controversy between the Union and the employer, each party shall agree to select an arbitrator and they in turn shall select a third person to whom in turn the grievance shall be submitted, and the finding of such arbitration committee shall be binding on all parties."

"It is agreed that the employers shall employ in their service stations only employees as heretofore classified and none but members or those eligible to become members of GASOLINE STATION OPERATORS UNION NO. 18378."

The subject matter contained in the first three paragraphs above was considered by the Board and substitutions agreed upon. The last paragraph relating to the closed shop agreement was definitely excluded from the arbitration.

The Board reached conclusions without great difficulty on all matters except wages and hours of labor. On these two subjects the Board submits a brief preliminary statement.

#### HOURS OF LABOR

The Board has seen fit to leave the hours of labor as now provided in the Code of Fair Competition for the Petroleum Industry, namely, forty-eight hours per week. The Board gave consideration to the claim of the Union for a reduction to forty hours per week, but came to the conclusion that the uniform policy now established throughout the country should be applicable in Cleveland and in Cuyahoga County.

Under the Code of Fair Competition of the Petroleum Industry the maximum hours are fixed at forty-eight per week. This represented a reduction in hours under the Code from maximums running all the way up to ninety-six hours per week and resulted in increasing the working force by nearly fifty per cent in Cleveland and Cuyahoga County. This was accomplished within the past year at very great expense to the companies.

No instance was given to the Board of any change from the hours fixed by the Code in any part of the country. The Board believes that inasmuch as fixing of hours of labor has been established as a national policy through the Code that

action in this community should await upon a change of national policy.

### WAGES

The principal subject argued before the Board of Arbitration was the subject of wages. Expert witnesses were placed on the stand and extensive exhibits were presented relating to the rate of wages that should be paid. It was disclosed from the data presented that the average rate of pay for all gasoline station employees was approximately from \$92.00 to \$94.00 per month. The Gasoline Station Operators Union placed before the Board its original demand as follows:

MANAGING OPERATORS: \$150 plus five dollars for the first man working under him and two dollars per man for every additional man working under him.

SERVICE OPERATORS: \$130 per month.

JUNIOR OPERATORS: \$115 per month.

SPECIALIZED OPERATORS: First three months \$130 per month; after three months \$150 per month.

PART TIME OPERATORS: Seventy cents per hour.

The Companies proposed at the outset of the hearings a schedule as follows:

Managing Operators ..... \$105.00 per month  
Plus \$5.00 per month for the second full-time  
helper and \$2.00 per month for each additional  
full-time employee.

Senior Operators (Over 1 year) ..... 90.00 per month

Junior Operators (6 mo. to 1 yr.) ..... 85.00 per month

Junior Operators (Less than 6 mo.) ..... 80.00 per month

Specialized Operators ..... 110.00 per month

Part Time Operators ..... 40¢ per hour

This offer represented a substantial advance over the prevailing wages, but the claims of the Union and of the Companies remained far apart.

In considering the subject from the point of view of employment itself, it should be noted that the work is almost entirely on a full time basis all the year around. Under the terms of the present award seniority has been established and discharges from service are to be arbitrated. The steadiness of employment and the security through the provisions of this award are among the special advantages that should be noted.

The occupation is, comparatively speaking, a pleasant one and all of the men who testified indicated their liking for it if the wages and working conditions were made reasonable. It was argued before the Board that the work of the station operator was not skilled work and did not require special training. It is true that these are not skilled men in the sense of mechanical skills; probably the



word "competent" should be substituted for "skilled." Station operators must be all around competent men with a fair equipment of certain mechanical qualifications and with good qualifications in salesmanship. Station operators are the points of contact between the public and the companies and the success of many stations depends upon the qualifications of the station operator. The mechanical operations may be learned in a comparatively short time but there are other requirements than the mere mechanical operation of the station.

Exhaustive arguments were presented before the Board showing that the wage provided at present was insufficient for healthful and decent living. The right to a living wage was argued fully. The facts of what constituted a minimum of health and comfort were presented in budgets prepared by experts after intensive surveys of different industrial communities, including Cleveland. The family budgets presented seriously to the Board varied from approximately \$1860.00 for a family of five to approximately \$1400.00 for a family of five. These variations were in budgets prepared by men and women of equal competence. This Board subscribes to the principle that a living wage is the first charge upon industry and it considers a living wage to be an amount sufficient to keep a worker and his family above the minimum of health and decency. What that amount is in the city of Cleveland the Board cannot say with finality. It was argued on the one side that the only question to be taken into consideration was the question of the necessary income to support a living wage. On the other hand it was argued that there are other considerations, namely, ability to pay and the prevailing wages in other occupations to be taken into account.

Granting the claims for a living wage in theory it was argued that certain practical considerations must be taken into account. It was particularly argued that the effect of the wage award on the continuance of operation of stations and upon the number employed should be taken into account. It was held by the representatives of the Companies that the condition of the Oil Industry in Cleveland and Cuyahoga County was chaotic, that the Companies have been operating for three years at heavy loss in their filling stations, and that until improvements are effected, which locally they are in no position to bring about, a large advance in wages would necessarily cause the companies to dispose of the least profitable stations, and thus throw men out of work.

The facts of the record support the contention that the Industry is in an unfortunate position. Some hope was expressed that the Code would bring about an improvement. In fact, an improvement was noted in the production end of the business. This improvement has not begun as yet to affect the retailing end of the business in Cleveland and there seems to be no immediate prospect of an improvement. Cut-price competition held the price of gasoline in Cleveland and Cuyahoga County almost to the level of 1933, which was the lowest point in the history of the business.

Answer was made to the foregoing that ability to pay must be considered over a long period of time so that the good years will take care of the bad years. It was claimed that the oil companies profited greatly during the period prior to 1930, and that the surpluses piled up should carry the workers over the period of depression. It was argued that the workers are not partners in the enterprise and do not take the risks of the business and inasmuch as they do not share in the excess profits they should not share in the losses.

Some attention was given to the prevailing wages in Cleveland and Cuyahoga County. This evidence was not clear cut inasmuch as wide variations were shown in comparable employments. While prevailing wages are important as a guide they are not to be taken as a standard inasmuch as they are not necessarily based upon a fair interpretation of all factors involved. If the prevailing wages were taken as a

standard then no industry could advance in wage levels until other industries advanced.

The Board took into consideration first of all the right to a living wage but gave serious consideration to the practical effects of the establishment of wages at a level which would defeat the purpose of increased wages by destroying the opportunities to work.

The rates established in this award are substantially higher than the prevailing wages in the Industry and somewhat higher than the prevailing wages heretofore in the Industry and somewhat higher than the offer made by the Companies. These rates are fixed as a minimum and all existing rates higher than the award are under the terms of the Petroleum Code continued. The result is that a very considerable number of workers already receive wages higher than this award requires. The average, for example, for managing operators will, under this award, be in excess of \$120. per month. Wages for beginners are fixed on the basis that the first six months period is a period of apprenticeship. There are comparatively few employees of the Companies at this time who have not reached the six months preliminary period or who will not soon reach it. For the second six months there is an increase, and at the end of a year, when operators go into senior class of operators, they are given a substantial advance. Managing operators are raised to an average level which compares favorably with any city of the country when all of the varying conditions are taken into account



W A G E S

MANAGING OPERATOR:

The salary of the managing operator shall be a minimum salary of \$110 per month, and he shall receive in addition to the foregoing salary \$5 per month for the second (2nd) full time operator working under him, and \$2 per month for each additional full time operator working under him. Each salaried service station will have at least one employee classed as managing operator.

SENIOR OPERATOR:

Senior Operators shall receive a minimum salary of \$100 per month.

JUNIOR OPERATOR:

Junior Operators shall receive a minimum salary of \$80 per month for the first six months of their employment and \$87.50 per month for the next six months thereafter.

SPECIALIZED OPERATORS:

Specialized Operators shall be paid at the rate of \$100 per month for the first three (3) months of their employment, and thereafter shall be increased to a minimum of \$115 per month.

PART TIME OPERATORS:

Part Time Operators shall be paid at a minimum rate of 45 cents per hour.

WASHERS AND PORTERS:

Washers shall be paid as a minimum the rate per hour fixed by the Petroleum Code. Porters shall be paid as a minimum the rate fixed by the Petroleum Code.

COMMISSION STATIONS

Employees of Companies who are working on a commission basis, shall take the same classification as at salary operated stations and shall receive a guarantee of not less than the minimum rates provided in this schedule for employees of the same rank, working on a salary basis, provided that the commissions of such employees shall be computed on the calendar year basis, or pro rated by months

for the period of employment if for a lesser period of time than one year.

#### HOURS OF LABOR

The hours of labor shall remain at the maximum fixed by the Code of Fair Competition for the Petroleum Industry, namely, forty-eight hours per week, it being understood that any changes in the Code reducing hours of labor shall apply under this award.

#### SENIORITY

In the event of necessity for the reduction of force, layoff will be made in the order of seniority and additions to force will be made in the same order, except that this clause shall not require the retention or rehiring of men in or for positions for which they are not competent. Seniority rights shall be established for all employees in any company who have had six months continuous service. Any disputes arising over rights of seniority shall be settled in the manner provided in this award for the settlement of disputes.

#### UNIFORMS

Wherever the employer requires employees to wear a type of uniform which is not suitable for wear while off duty and such uniform is not furnished at the expense of the employer, the employer shall set up a uniform allowance of one dollar and fifty cents (\$1.50) per month per employee which shall be applied towards the purchase and payment, replacement, cleaning and laundering of the uniform so required.

#### SHORTAGES

On and after October 1, 1934, all employees at service stations where metered pumps are in operation shall be checked on the readings of such meters. From October 1, 1934, to January 1, 1935, at non-metered stations stick readings shall be used for checking purposes and an adjustment for variations at

such stations shall be made monthly based on the individual company's average experience for the same period of time as between meter readings and stick readings at its metered stations.

Whenever a stock loss occurs at any station having non-metered pumps, the employee shall notify the management, in writing, of such fact. The management must immediately cause to be made thorough and proper tests, such tests to be conducted jointly by the employees affected, or their representatives, and representatives of the employer, to determine the cause of and responsibility for the loss. No deduction from pay shall be made until the investigation has been completed and the facts determined.

If, upon the completion of these tests and the application of remedial measures a shortage continues to exist at non-metered stations after January 1, 1935, then, until such time as metered equipment is installed, employees shall be allowed an adjustment up to one percent (1%) of the gallonage at such stations for the current month, calculated on an average consecutive three month basis. Where an employee of such station ceases his connection with the company during any such three month period, then settlement shall be made on the basis of the average for the three months immediately preceding the termination of such employment.

The provisions as to shortage having been reached by agreement and mutual concession by the parties to the arbitration, it is understood that this feature of the award is not a finding based upon investigation by the Board or upon deductions drawn from testimony presented to the Board.

#### DISCHARGES TO BE ARBITRATED

Any employee shall have the right to be represented by a representative of his own choosing in a case of a controversy over the discharge of said employee. The question at issue shall first be submitted to the local management of the employer and if not there satisfactorily adjusted the aggrieved employee, or his representative, shall submit a statement in writing of the issue involved to the head of the department or division in which such employee is employed at the home office of the company. Should the matter not then be satisfactorily

adjusted within ten days after receipt of such statement, it shall be referred for settlement to a disinterested third party, to be mutually agreed upon by the company and the employee's representative. In the event the company and the employee's representative shall fail to agree upon such third party within twenty days after receipt of such statement, he shall be selected by the Director of Conciliation of the United States Department of Labor. The decision of such disinterested third party shall be final and binding upon the employer and the employee. Nothing in this paragraph contained shall be construed to interfere with the right of the company to suspend or discharge any employee for just cause or for incompetency, or for lack of work.

#### SETTLEMENT OF DISPUTES

Any disputes, except disputes over discharge, arising between the Union and the Company during the period covered by this award as to whether either party shall be complying with the terms of such award, shall be amicably adjusted if possible by the parties. In the event an amicable adjustment of the controversy shall not be reached within ten days after a written statement setting forth the facts concerning the alleged violation of the award shall have been served by the aggrieved party on the other party, then in such event the controversy shall be submitted by each party to a Board of Arbitration for decision by it, such Board to be selected as follows: Each party shall, within ten days after the expiration of the said ten day period select an arbitrator and promptly notify the other party, in writing, of such selection. The two arbitrators so named shall then proceed to select a third arbitrator. In the event they shall fail to select a third arbitrator within ten days after their selection, the third arbitrator shall be selected by the Administrator of the Petroleum Industry and the Chairman of the Petroleum Labor Policy Board. In the event either party shall within the period above prescribed fail to select its arbitrator, such arbitrator shall also be named by the Administrator of the Petroleum Industry and the Chairman of the Petroleum Labor Policy Board. The decision of the Board of Arbitrators selected as above set forth, or a majority of them, shall be final and binding upon the company, the Union and the Employee members thereof and shall be evidenced by a written award signed by the arbitrators or the majority of them.

#### EMPLOYEES ELECTED TO UNION OFFICES

It is hereby agreed that employees (not however to exceed five in number or five percent of the total number of employees of the company, whichever is less, at any one time) who are elected or delegated by the Union to its various offices or assignment shall be granted leaves of absence upon written request therefor stating the dates during which the employee is to be off duty. Provided, however, that such written request shall be served upon the employer not less than five days prior to date of commencement of leave of absence, and provided further that no leave or leaves of absence shall be for periods in excess of the following:

- (a) For employees elected to Union Offices or assigned by the Union to duty on collective bargaining committees - 90 days in any one year.
- (b) For other employees delegated to Union assignments - 10 days in any one year.

An employee on such leave of absence shall not be entitled to receive any pay from the company during the continuance thereof. Upon termination of the leave of absence such employee shall be returned to his former position and classification.

If any employee shall be elected to an office of the Union requiring his full time for more than 90 days he shall, upon written request to the company, be granted an indefinite leave of absence, without pay, from his duties. Upon the termination of his duties with the Union such employee shall be given the first available job with the company in his former classification, or if such job is not at the time available, the first available job in a lower classification. If such employee shall not accept such job when offered to him he shall have no further rights under this provision. If such employee shall return to the company in a job of lower classification, he shall be promoted to the first available job in his former classification. Only one man shall be entitled at any one time to be on an indefinite leave of absence under this provision.

#### COMPANY MEETINGS

COMPANY SALES AND SERVICE MEETINGS at which attendance is required shall be held on the company's time. In the event that company sales and service meetings are not held on company time, failure of employees to attend shall not be considered a demerit on their employment record.

#### LEAVES OF ABSENCE

Where no vacation plan is in effect employee shall, upon request, to the employer, be granted a leave of absence without pay at times mutually satisfactory as between employer and employee as per the following schedule:

Over six (6) months to one (1) year in the employment of the employer - 1 week.  
Over one (1) year in the employment of the employer - 2 weeks.

#### SEMI-MONTHLY PAYMENT OF WAGES

Employees shall be paid at least twice each month.

#### CHECKING BETWEEN SHIFTS

All checking between shifts shall be done on employer's time and all required "off drive" solicitations shall be done on employer's time.

#### FIDELITY BONDS

All premiums on fidelity bonds required by employer shall be paid by the employer and all cash deposits or cash bonds now deposited in place of fidelity



bonds shall be promptly returned to the employees.

#### FINES AND SERVICE CHARGES

No fines or service charges shall be imposed upon employees for accounting errors.

#### COST OF PHYSICAL EXAMINATIONS

The cost of all required physical examinations shall be borne by the employer.

#### SAFES AT STATIONS

All stations shall be equipped with safes and a reasonable time shall be allowed for the installation thereof. Except where time is allowed employees for so doing, the employer shall provide and be responsible for the banking of all company monies.

#### CHRISTMAS CLOSING

No employee shall be required to work between the hours of 7:00 A.M. and 7:00 P.M. on the day celebrated as Christmas Day, except as may be necessary for and protection of company property. The employer will open not to exceed ten per cent (10%) of its service stations located in Cuyahoga County between the hours of 7:00 P.M. and 12:00 M. on this day.

#### SICKNESS BENEFITS

The Board does not make an award on the question of sickness benefits but recommends to the companies which do not have mutual benefit plans to give serious consideration to the establishment of such plans.

#### APPLICATION OF AWARD TO EMPLOYEES

This award does not attempt to define the term "employee" because that is a matter which can now have an authoritative definition only under the Petroleum Administrator. This award shall apply to all employees of the companies engaged in this arbitration who are classified as employees under the Code of Fair Competition for the Petroleum Industry, and amendments thereof, or who may be classified as employees under rulings of the Petroleum Administrator.

STRIKES AND LOCKOUTS PROHIBITED DURING AWARD PERIOD

During the period covered by this award the Company shall not lock out employees who are members of the Union, and Union Employees of the company shall not strike, nor shall the Union or any members thereof picket or cause to be picketed any places of business of the company, or boycott or cause to be boycotted any products of the company, or directly or indirectly interfere with, hinder or impede in any way the business of the company. Provided that these provisions shall not bind the Union in its negotiations and activities with parties not subject to this award, or with respect to parties subject to this award outside of Cuyahoga County, Ohio.


EFFECTIVE PERIOD OF AWARD

This award shall be in effect until May 16th, 1935 and according to the arbitration agreement shall be retroactive to and including May 16, 1934. Payments for back pay under this award shall be made in full on or before Oct. 31, 1934, or may be paid in semi-monthly installments not exceeding two, beginning October 15, 1934.

AWARD SUBJECT TO THE CODE

This award is made subject to the Code of Fair Competition for the Petroleum Industry and all amendments thereof.

Approved as the award of the Board of Arbitration by a majority vote of the Board September 25th, 1934.

  
Chairman